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## Request for Proposal

Dear Sir / Madam

**Subject: Request for Proposal for Procurement of Jet A1 Aviation Kerosene to Public Enterprise Airport Pristina in Kosovo.**

**Closing date: 21 November 2000, 5:00 p.m. local time Pristina, Kosovo**

- (1) The United Nations Interim Administration in Kosovo/Civil Administration (UNMIK/CA) invites sealed proposals from qualified suppliers for the delivery of Jet A1 Aviation Kerosene complying with the DERD standard to Public Airport Pristina. The aim is to provide a refueling service to those commercial airlines using Pristina Airport according to the requirements as defined in the Terms of Reference (TOR) attached.
- (2) Submitters are encouraged to use creativity and business knowledge to suggest innovative and effective alternatives, if that would improve the quality of the solution proposed initially.
- (3) The Solicitation Documents hereunder include:

Section I:	Instructions to Submitters
Section II:	Terms of Reference (TOR)
Section III:	Proposal Submission Form
Section IV:	Price Schedule
Section V:	General Terms and Conditions
- (4) Bids must be delivered to UNMIK/Civil Administration under the address below at or before 21 November 2000, 5:00 p.m. local time Pristina. Proposals sent by fax or e-mail will be sealed immediately after receipt and kept under lock until the official opening, which is scheduled for the same day. In any case, the original proposal should be sent by mail or courier services and reach this office not later than 10 days after the deadline for submission.
- (5) Further information regarding technical issues can be obtained from UNMIK/Civil Administration under the address stated in the Instructions.

Yours sincerely,

Consignee:

UNMIK/Civil Administration  
Government Building  
Mother Teresa St., Pristina, Kosovo  
Phone: +1 212 963 8442 ext. 5814,  
or +381 38 500 223 ext. 5814  
Fax: +381 38 501 397 ext. 5807  
e-mail: cora@un.org

## **A. Cost of proposal**

1. The submitter shall bear all costs associated with the preparation and submission of the proposal. UNMIK/CA will in no case be responsible or liable for those costs, regardless of the conduct or outcome of the solicitation.

## **B. Solicitation Documents**

2. Contents of solicitation documents

The services required, proposal procedures and contract terms are prescribed in these solicitation documents, the contents of which are listed in paragraph 3 of the cover letter, entitled Request for Proposal.

3. Examination of Solicitation Documents

The bidder is expected to examine all corresponding instructions, forms, terms and specifications contained in the solicitation documents. Failure to comply with these documents will be at the submitter's risk and may affect the evaluation of the proposal.

4. Clarification of Solicitation Documents

A prospective submitter requiring any clarification of the solicitation documents may notify UNMIK/CA in writing sent by mail, fax or e-mail.

UNMIK/CA will respond in writing to any request for clarification of the solicitation documents that it receives earlier than one week prior to the deadline for the submission of proposals. Written copies of UNMIK/CA's response (including an explanation of the query but without identifying the source of inquiry) will be sent to all prospective submitters having received the solicitation documents.

5. Amendments of Solicitation Documents

At any time, UNMIK/CA may, for any reason, whether at its own initiative or in response to a clarification requested by a prospective submitter, amend the solicitation documents.

All prospective submitters that have received the solicitation documents will be notified in writing of all amendments to the solicitation documents.

In order to afford prospective submitters reasonable time in which to take the amendments into account in preparing their offers, UNMIK/CA may, at its discretion, extend the deadline for the submission of proposals.

## **C. Preparation of Proposals**

6. Language of the proposal

The proposals prepared by the submitter and all correspondence and documents relating to the proposal exchanged by the submitter and UNMIK/CA shall be written in English language. Any costs for translation of documents are at the charge of the submitter.

7. Documents comprising the proposal

The proposal prepared by the submitter must comprise the following components:

- (a) Proposal submission form, duly completed and signed by the bidder
- (b) Operational and technical part of the proposal, including documentation to demonstrate that the submitter meets all requirements (the scheduled start of operations in particular).
- (b) Price enclosure completed in accordance with clauses 9, 10 and 11 below.
- (c) Statement regarding validity of the proposal.
- (d) Other documents as requested by the TOR (Requirements)
- (e) Name & address of your local agent, if applicable

8. Proposal form

The submitter shall structure the operational and technical part of its proposal as follows:

- a) Management plan

This section should in a first part describe the current activities of the submitter. The submitter should comment on his experience in similar contracts.

In a second part, the submitter should describe the organizational unit that will become responsible for the contract and his approach of general management for such a supply contract. The persons representing the submitter in any future dealing with UNMIK/CA should be identified.

b) Logistic plan

This section should fully explain the submitter's logistic organization and means for this contract from the supplying of Jet A1 Kerosene to its delivery to the Public Enterprise Airport Pristina.

The candidate is obliged to explain in particular:

- the origin of the Jet A1 Kerosene.
- his means of transport for each delivery;
- his depot storage capacities as well as total number and respective capacity of his Kerosene tankers
- resources in terms of personnel and facilities necessary for the performance of this requirement;
- the minimum delivery time.

**If the method of supply depends on railway transport, the candidate should propose an alternative solution by road in case of difficulty.**

The submitter should demonstrate that the transport means used fully comply with the rules of transport for drivers and trucks.

9. Proposal prices

The submitter shall complete the "price enclosure", by giving the exact price for the Jet A1 aviation fuel per liter and including all operational and administrative costs.

10. Proposal currencies

Prices shall be quoted in German Mark (DEM) or Euro (EUR) only.

11. Period of validity of proposals

The proposal shall remain valid for 30 days after the date of its submission prescribed by UNMIK/CA, pursuant to the deadline clause. A proposal valid for a shorter period may be rejected by UNMIK/CA on the grounds that it is non-responsive.

In exceptional circumstances, UNMIK/CA may solicit the submitter's consent to an extension of the period of validity. The request and the responses thereto shall be made in writing. A submitter granting the request will not be required nor permitted to modify its proposal.

12. Format and signing of proposals

The submitter shall prepare two copies of the proposal, clearly marking each "Original Proposal" and "Copy of Proposal" as appropriate. In the event of any discrepancy between them, the original shall govern.

Original and copy of the proposal shall be typed or written in indelible ink and shall be signed by the submitter or a person or persons duly authorized to bind the submitter to the contract.

A proposal shall contain no inter-lineation, erasure, or overwriting except as necessary to correct errors made by the submitter, in which case such corrections shall be initialed by the person or persons signing the proposal.

13. Proposal security

Not applicable

**D. Submission of Proposals**

#### 14. Sealing and marking of proposals

The submitter shall seal the proposal in one outer and two inner envelopes, as detailed below.

a) The outer envelope shall be:

- addressed to: UNMIK/Civil Administration  
Central Procurement Entity  
Government Building, Room 306  
Mother Teresa St., Pristina, Kosovo
- marked with: "Sealed Proposal Jet A1 Kerosene Pristina Airport" and "Do not open before 10:00 hours on 22 November 2000"

b) Both inner envelopes shall indicate the name and address of the submitter. The first inner envelope shall contain the information specified in clause 8 (Proposal Form) above, with the copies duly marked "Original" and "Copy". The second inner envelope shall contain the price schedule duly identified as such.

UNMIK/CA will not assume any responsibility for the proposal's misplacement or premature opening, if the inner envelopes are unsealed and marked as per instruction in this clause.

#### 15. Deadline for submission of proposals

See cover letter

#### 16. Late proposals

Any proposal received by UNMIK/CA after the deadline for submission of proposals will be rejected and/or returned unopened to the submitter.

#### 17. Modification and withdrawal of bids

The submitter may withdraw its proposal after submission, provided that written notice of the withdrawal is received by UNMIK/CA prior to the deadline for submission of proposals.

No proposal may be modified subsequent to the deadline for submission of proposals.

No proposal may be withdrawn in the interval between the deadline for submission of proposals and the expiration of the period of validity.

### **E. Opening and Evaluation of Proposals**

#### 18. Opening of proposals

UNMIK/CA will open the proposals in the presence of a Tender Board. The opening of the proposals is scheduled for 22 November 2000, 10:00 a.m. local time.

#### 19. Clarification of Bids

To assist in the examination, evaluation and comparison of proposals UNMIK/CA may, at its discretion, ask the submitter for clarification of its proposal. The request for clarification and the response shall be in writing and no change in price or substance of the proposal shall be sought, offered or permitted.

#### 20. Preliminary examination

UNMIK/CA will examine the proposals to determine whether they are complete, whether any computational errors have been made, whether the documents have been properly signed, and whether the proposals are generally in order.

Arithmetical errors will be rectified on the following basis: If there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected. If the submitter does not accept the correction of errors, its proposal will be rejected. If there is a discrepancy between words and figures, the amount in words will prevail.

Prior to the detailed evaluation, UNMIK/CA will determine the substantial responsiveness of each proposal to the Request for Proposal (RFP). For purposes of these clauses, a substantially responsive proposal is one, which conforms to all the terms and conditions of the RFP without material deviations. UNMIK/CA's determination of a proposal's responsiveness is based on the contents of the proposal itself without recourse to extrinsic evidence.

A proposal determined as not substantially responsive will be rejected by UNMIK/CA and may not subsequently be made responsive by the bidder by correction of the non-conformity.

## 21. Evaluation of bids

A two-stage procedure is utilized in evaluating the proposals, with evaluation of the technical proposal being completed prior to any price proposal being opened and compared.

The price proposal will be opened only for submissions that passed the minimum technical score of 60% of the obtainable score in the evaluation of the technical proposal.

The technical proposal is evaluated based on its responsiveness to the Terms of Reference (TOR).

## F. Evaluation and Award of Contract

22. Evaluation of the proposals shall be based, inter alia, on the following criteria.

- a. Background of the company.
- b. Experience with similar projects.
- c. Quality control and Quality assurance programme.
- d. Technical Proposal including overall plan, supply chain, transport and equipment plan and bulk storage programme.
- e. Staffing plan including Project Manager (CV), staffing plan, and organizational plan.
- f. Price of Jet A1 per liter, including all operational and administrative costs.

Submitters must provide sufficiently detailed information to demonstrate fully the necessary capability, financial strength and possess the appropriate level of insurance cover to contract satisfactorily. As a minimum, the proposal must include the following:

- a) A description of the company's experience and capabilities including recent operations managed by the company that clearly illustrate at least 5 years of aviation fuel supply operations and experience in remote and difficult locations.
- b) Specific examples of similar projects handled. Submitters must present evidence of liquidity of funds of a value equal to or exceeding the total cost of 3 months supply of Jet A1 aviation fuel. Submitters must indicate details of current contracts of a similar nature, location and complexity, three references (name and address of client, telephone and facsimile numbers to whom the submitter has supplied Jet A1 aviation fuel during the past 12 months).

UNMIK/CA reserves the right to accept or reject any proposal, and to annul the solicitation process and reject all proposals at any time prior to award of contract, without thereby incurring any liability to the affected submitter(s) or any obligation to provide information on the grounds for its action.

## 23. UNMIK/CA's right to vary requirements at time of award

UNMIK/CA reserves the right at the time of award of contract to vary the quantity of the services specified in the RFP without any change in price or other terms and conditions.

## 24. Notification of award

Prior to the expiration of the period of proposal validity, UNMIK/CA will notify the successful submitter in writing by letter or by fax or e-mail, to be confirmed in writing by letter, that its proposal has been accepted.

The notification of award will not yet constitute the formation of the contract if further negotiations on specific terms and conditions will be necessary. In such case, a separate contract will be drafted, negotiated and approved by both parties.

## 25. Signing of the contract

Within 10 days of receipt of the Contract Form the successful submitter shall sign and date the contract and return it to UNMIK/CA.

**Section II**  
**Terms of Reference (TOR)**



**CIVIL ADMINISTRATION**  
**DEPARTMENT OF TRANSPORT AND INFRASTRUCTURE**

**Introduction**

Since the regeneration of commercial flights into Pristina airport the supply of aviation fuel and refueling service to aircraft staging through Pristina airport has been provided by KFOR. Over the past year civilian traffic has increased significantly and the opportunity has arisen to recommence the commercial refueling for the commercial airlines.

**Quantities and Delivery Point**

The quantities required depend directly on the number of commercial aircraft using Pristina Airport. At present KFOR has been obliged to limit the amount of fuel delivered to commercial airliners because of infrastructure and equipment and manpower limitations. Consequently UNMIK cannot exactly confirm the predicted amount of fuel that will be supplied to commercial aircraft. However, before June 2000 the amount of fuel delivered to commercial airliners was in the region of 370,000 LITERS per week.

The delivery point will be at the 2 airport tanks (capacity 100,000 liters each).

**Procurement Procedure**

The procedure to be followed by UNMIK will be based on International Competitive Bidding resulting in an agreement with one contractor.

This contract will initially be established for a validity of one year. According to the unfolding of the first year contract, it can be extended for one other year (option).

The contract can be terminated in the following cases:

- the supplier doesn't deliver the Jet A1 aviation fuel in accordance with the required specifications.
- the supplier doesn't deliver the Jet A1 aviation fuel within the agreed time, excepted in case of Force Majeure, which is specified in the General Terms and Conditions (Section V).

In case of anticipated termination, the contractor will be notified in writing.

**Specifications required**

The goods supplied in this contract shall conform to the following specifications:

Aromatics, percent volume, max ... 25.0  
Sulfur total, percent mass, max ... 0.30  
Distillation, fuel recovered:  
10 percent volume, max ... 205 degrees C  
End point, max ... 300 degrees C  
Flash point, min ... 38 degrees C

Density at 15 degrees C ... .. 775-840 kg/m<sup>3</sup>  
Freezing point, max ... .. minus 47 degrees C  
Viscosity at minus 20 degrees C, max 8.0mm<sup>2</sup> /s(cSt)

**Existing airport refueling equipment:**  
**(will require maintenance before operations begin)**

Two 100,000 liter tanks  
Alfonse Haar pump system  
Faudi Filter System

One fuel truck (Tira FTW 24,000 liter in need of maintenance)

**Training required**

The contractor will be expected to review and carry out the training and certification requirements of formerly qualified airport staff.

**Laboratory**

The contractor will be expected to establish a fuel-testing laboratory at Pristina airport.



**Section III**  
**Proposal Submission Form**

To: UNMIK/Civil Administration  
Pristina, Kosovo

Dear Sir / Madam,

Having examined the Solicitation Documents, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to provide professional services . . . . . (short description) for the sum as may be ascertained in accordance with the Price Schedule attached herewith and made part of this proposal.

We undertake, if our proposal is accepted, to commence and complete delivery of all services specified in the contract within the time frame stipulated.

We agree to abide by this proposal for a period of 30 days from the date fixed for opening of proposals in the Request for Proposal, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

We understand that you are not bound to accept any proposal you may receive.

Dated this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
In the capacity of

Duly authorized to sign bid for and on behalf of \_\_\_\_\_

**Section IV**  
**Price Schedule**

The submitter is asked to prepare the price schedule as a separate envelope from the rest of the RFP response as indicated in section 1 clause 14 b.

Description	Estimated Quantity per month	Unit Price per liter (DEM)	Total Price * (DEM)	Discount (if applicable)	TOTAL
Jet A1 aviation fuel  according to specifications given in Section II  including all costs for delivery and administrative and operational costs					

\* The price should be firm for the first month of delivery (January 2001)

Name and functional title of submitter	Signature
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**Section V**  
**General Terms and Conditions**

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## 1. Definitions

In this contract, the following terms shall be interpreted as indicated:

- (a) "The Contract" means the agreement entered into between the Purchaser and the Contractor, as recorded in the Contract Form signed by the Parties, including all the attachments and appendices thereto and all documents incorporated by reference therein;
- (b) "The Contract Price" means the price payable to the Contractor under the Contract for the full and proper performance of its contractual obligations;
- (c) "The Goods" means all the equipment, machinery and/or other materials, which the Contractor is required to supply to the Purchaser under the Contract;
- (d) "Services" means professional services and any other incidental services, such as installation, commissioning and provision of technical assistance, training and other obligations of the Contractor covered under the Contract;
- (e) "The Purchaser" means the Organization (UNMIK/CA) purchasing the Services and/or Goods;
- (f) "The Contractor" shall mean the person, firm or company named as such in the contract as responsible for providing the services and shall include the contractor's legal personal representatives, successors and permitted assignees.

## 2. Application

These General Conditions shall apply to the extent that provisions in other parts of the Contract do not supersede them.

## 3. Legal status

The Contractor shall be considered as having the legal status of an independent contractor vis-a-vis the UNMIK/CA. The Contractor's personnel and sub-contractors shall not be considered in any respect as being the employees or agents of UNMIK/CA.

## 4. Source of instructions

The Contractor shall neither seek nor accept instructions from any authority external to UNMIK/CA in connection with the performance of its services under this Contract. The Contractor shall refrain from any action, which may adversely affect UNMIK/CA and shall fulfill its commitments with the fullest regard to the interests of UNMIK/CA.

## 5. Contractor's responsibility for employees

The Contractor shall be responsible for the professional and technical competence of its employees and will select, for services under this Contract, reliable individuals who will perform effectively in the implementation of this Contract, respect the local customs, and conform to a high standard of moral and ethical conduct.

## 6. Assignment

The Contractor shall not assign, transfer, pledge or make other disposition of this Contract or any part thereof, or any of the Contractor's rights, claims or obligations under this Contract except with the prior written consent of UNMIK/CA.

## 7. Sub-contracting

In the event the Contractor requires the services of sub-contractors, the Contractor shall obtain the prior written approval and clearance from UNMIK/CA for all sub-contractors. The approval of UNMIK/CA of a sub-contractor shall not relieve the Contractor of any of its obligations under this contract. The terms of any sub-contract shall be subject to and conform to the provisions of this Contract.

## 8. Officials not to benefit

The Contractor warrants that no official of UNMIK/CA has received or will be offered by the Contractor any direct or indirect benefit arising from this Contract or the award thereof. The Contractor agrees that breach of this provision is a breach of an essential term of this Contract.

## 9. Indemnification

The Contractor shall indemnify, hold and save harmless, and defend, at its own expense, UNMIK/CA, its officials, agents and employees from and against all suits, claims, demands, and liability of any nature or kind, including their costs and expenses, arising out of acts or omissions of the Contractor, or the Contractor's employees, agents or sub-contractors, in the performance of this Contract. This provision shall extend, inter-alia, to claims and liability in the nature of employee's compensation claims and those arising out of the use of patented inventions or devices.

#### 10. Insurance and liabilities to third parties

- (a) The Contractor shall provide and thereafter maintain insurance against all risks in respect of its property and any equipment used for the execution of this Contract.
- (b) The Contractor shall provide and thereafter maintain all appropriate employee's compensation insurance, or its equivalent, with respect to its employees to cover claims for personal injury or death in connection with this Contract.
- (c) The Contractor shall also provide and thereafter maintain liability insurance in an adequate amount to cover third party claims for death or bodily injury, or loss of or damage to property, arising from or in connection with the provision of services under this Contract or the operation of any vehicles, boats, airplanes or other equipment owned or leased by the Contractor or its agents, servants, employees or sub-contractors performing work or services in connection with this Contract.
- (d) Except for the employee's compensation insurance, the insurance policies under this clause shall:
  - (i) Name UNMIK/CA or the UN as additional insured;
  - (ii) Include a waiver of subrogation of the Contractor's rights to the insurance carrier against UNMIK/CA;
  - (iii) Provide that UNMIK/CA shall receive thirty (30) days written notice from the insurers prior to any cancellation or change of coverage.
- (e) The Contractor shall, upon request, provide UNMIK with satisfactory evidence of the insurance required under this Clause.

#### 11. Title to equipment

Title to any equipment and supplies that may be furnished by UNMIK/CA shall rest with UNMIK/CA and any such equipment shall be returned to UNMIK/CA at the conclusion of this Contract or when no longer needed by the Contractor. Such equipment, when returned to UNMIK/CA shall be in the same condition as when delivered to the Contractor, subject to normal wear and tear. The Contractor shall be liable to compensate UNMIK/CA for equipment determined to be damaged or degraded beyond normal wear and tear.

#### 12. Copyright, patents and other proprietary rights

UNMIK/CA shall be entitled to all intellectual property and other proprietary rights including but not limited to patents, copyrights, and trademarks, with regard to products, or documents and other materials which bear a direct relation to or are produced or prepared or collected in consequence of or in the course of the execution of this Contract.

At UNMIK/CA's request, the Contractor shall take all necessary steps, execute all necessary documents and generally assist in securing such proprietary rights and transferring them to UNMIK/CA in compliance with the requirements of the applicable law.

#### 13. Use of name, emblem or official seal of the United Nations

The Contractor shall not advertise or otherwise make public the fact that it is a Contractor with UNMIK/CA, nor shall the Contractor, in any manner whatsoever use the name, emblem or official seal of the United Nations, or any abbreviation of the name of the United Nations in connection with its business or otherwise.

#### 14. Confidential nature of documents and information

- (a) All maps, drawings, photographs, mosaics, plans, reports, recommendations, estimates, documents and all other data compiled by or received by the Contractor under this Contract shall be the property of UNMIK/CA, shall be treated as confidential and shall be delivered only to authorized officials of UNMIK/CA on completion of services under this Contract.
- (b) The Contractor may not communicate at any time to any other person, Government or authority external to UNMIK/CA any information known to it by reason of its association with UNMIK/CA which has not been made public except with the authorization of UNMIK/CA, nor shall the Contractor at any time use such information to private advantage. These obligations do not lapse upon termination of this Contract.

15. Performance security

The successful Bidder shall, upon request, be prepared to furnish the Purchaser with Performance Security in the form of a Bank Guarantee by a recognized bank valid for the entire warranty period. The amount of this security shall be 10 % of the Contract value, which shall be furnished within 14 days of notification of award. The security will be returned to the Contractor or within 30 days of completion of the Contract, including any warranty obligations.

16. Liquidated damages

Delayed delivery beyond the agreed delivery time shall cause payment by the Supplier of liquidated damages in an amount of 0.5 % per week of the value of the Contract up to a period of 8 weeks. Thereafter, UNMIK/CA has the right to cancel the Contract.

17. Force majeure; other changes in conditions

- (a) In the event of and as soon as possible after the occurrence of any cause constituting force majeure, the Contractor shall give notice and full particulars in writing to UNMIK/CA, of such occurrence or change if the Contractor is thereby rendered unable, wholly or in part, to perform its obligations and meet its responsibilities under this Contract. The Contractor shall also notify UNMIK/CA of any other changes in conditions or the occurrence of any event, which interferes or threatens to interfere with its performance of this Contract. On receipt of the notice required under this Clause, UNMIK/CA shall take such action as, in its sole discretion, it considers to be appropriate or necessary in the circumstances, including the granting to the Contractor of a reasonable extension of time in which to perform its obligations under this Contract.
- (b) If the Contractor is rendered permanently unable, wholly, or in part, by reason of force majeure to perform its obligations and meet its responsibilities under this Contract, UNMIK/CA shall have the right to suspend or terminate this Contract on the same terms and conditions as are provided for in Clause 18, "Termination", except that the period of notice shall be seven (7) days instead of thirty (30) days.
- (c) Force majeure as used in this Clause means acts of God, war (whether declared or not), invasion, revolution, insurrection, or other acts of a similar nature or force.

18. Termination

- (a) Either party may terminate this Contract for cause in whole or in part, upon thirty (30) days notice, in writing, to the other party. The initiation of arbitral proceedings in accordance with Clause 19 "Arbitration" below shall not be deemed a termination of this Contract.
- (b) UNMIK/CA may terminate forthwith this Contract at any time should the mandate or the funding of the Mission/Agency be curtailed or terminated, in which case the Contractor shall be reimbursed by UNMIK/CA for all reasonable costs incurred by the Contractor prior to receipt of the notice of termination.
- (c) In the event of any termination by UNMIK/CA under this Clause, no payment shall be due from UNMIK/CA to the Contractor except for work and services satisfactorily performed in conformity with the express terms of this Contract.
- (d) Should the Contractor be adjudged bankrupt, or be liquidated or become insolvent, or should the Contractor make an assignment for the benefit of its creditors, or should a Receiver be appointed on account of the insolvency of the Contractor, UNMIK/CA may, without prejudice to any other right or remedy it may have under the terms of these conditions, terminate this Contract forthwith. The Contractor shall immediately inform the UNMIK/CA of the occurrence of any of the above events.

19. Settlement of disputes.

- (a) **Amicable Settlement** The Parties shall use their best efforts to settle amicably any dispute, controversy or claim arising out of, or relating to this Contract or the breach, termination or invalidity thereof. Where the parties wish to seek such an amicable settlement through conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules then obtaining, or according to such other procedure as may be agreed between the parties.
- (b) **Arbitration** Any dispute, controversy or claim between the Parties arising out of or relating to this Contract or the breach, termination or invalidity thereof, unless settled amicably under the preceding paragraph of this Clause within sixty (60) days after receipt by one Party of the other Party's request for such amicable settlement, shall be referred by either Party to arbitration in accordance with the UNCITRAL Arbitration Rules then obtaining. Either party may, at its option, request the American Arbitration Association to provide administrative services for such arbitration and/or serve as the Appointing Authority under the Rules, in which case the American Arbitration Association shall be deemed to have been so designated. The arbitral tribunal shall have no authority to award punitive damages. Any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy, claim or dispute shall bind the parties.

20. Privileges and immunities

Nothing in or relating to this Contract shall be deemed a waiver, express or implied, of any of the privileges and immunities of the United Nations including its subsidiary organs.

21. Tax exemption

- (a) Section 7 of the Convention on the Privileges and Immunities of the United Nations provides, inter-alia, that the United Nations, including its subsidiary organs, is exempt from all direct taxes, except charges for public utility services, and is exempt from customs duties and charges of a similar nature in respect of clauses imported or exported for its official use. In the event any governmental authority refuses to recognize UNMIK/CA exemption from such taxes, duties or charges, the Contractor shall immediately consult with UNMIK/CA to determine a mutually acceptable procedure.
- (b) Accordingly, the Contractor authorizes UNMIK/CA to deduct from the Contractor's invoice any amount representing such taxes, duties or charges, unless the Contractor has consulted with UNMIK/CA before the payment thereof and UNMIK/CA has, in each instance, specifically authorized the Contractor to pay such taxes, duties or charges under protest. In that event, the Contractor shall provide UNMIK/CA with written evidence that payment of such taxes, duties or charges has been made and appropriately authorized.

22. Observance of the law

The Contractor shall comply with all laws, ordinances, rules, and regulations bearing upon the performance of its obligations under the terms of this Contract.

23. Authority to modify

Pursuant to the Financial Regulations and Rules of the United Nations Interim Administration in Kosovo, only UNMIK/CA possesses the authority to agree to any modification of or change in this Contract, to a waiver of any of its provisions or to any additional contractual relationship of any kind with the Contractor. Accordingly, no modification or change in this Contract shall be valid and enforceable against the UNMIK/CA unless provided by an amendment to this Contract signed by the Contractor and the authorized representative of UNMIK/CA.

24. Anti-Personnel Mines

The UN, including its subsidiary organs, supports an international ban on the manufacture of anti-personnel mines. Anti-personnel mines have killed and maimed thousands of people, of whom large proportions are children and women. Anti-personnel mines present a serious obstacle to the return of populations displaced from their residences by fighting around their villages and homes. UN has, therefore, decided not to purchase goods or services from companies that sell or manufacture anti-personnel mines or their components.

The Contractor guarantees that it, or its affiliates or subsidiaries, are not engaged in the sale or manufacture, either directly or indirectly, of anti-personnel mines, or any components produced primarily for the operation thereof.

## 25. Child Labour

The UN, including its subsidiary organs, fully subscribes to the Convention on the Rights of the Child and draws the attention of potential suppliers to Article 32 of the Convention which, inter-alia, requires that a child shall be protected from performing any work that is likely to be hazardous or interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral or social development.

The Contractor certifies that it will not engage Child Labour in any form or during any process in implementing the contract, if awarded.